

**Services Liberalization in the Doha Round:
U.S. Industry Priorities**

Education and Training Roundtable

PANELISTS:

Charles Fishman, C.L. Fishman, P.C.
Michael Goldstein, Dow Lohnes & Albertson

MODERATOR/RAPPORTEUR: Jennifer Moll, U.S. Department of Commerce

USTR's Christopher Melly began by informing attendees of the purpose of the roundtable. U.S. negotiators are reassessing goals and strategies for the market access phase of the WTO GATS negotiations. In terms of our requests of other countries, Mr. Melly stated that the U.S. focus has been and continues to be on higher, adult and other education services. He also mentioned the fact that the United States has not made a commitment on higher education, but is considering doing so. He encouraged participants to share any information regarding specific problems they are having in specific markets as well as markets that they consider to be a priority in terms of export potential for U.S. education and training services.

Panelists Chuck Fishman and Michael Goldstein shared their views on the U.S. position in the global market for higher education and training. The American education model has been a key component of the soft power of the United States, with U.S. higher education being cited as the world standard. The primary form of export to date has been large numbers of foreign students coming to the United States to pursue higher learning opportunities (otherwise known as Mode 2, consumption abroad). Both panelists noted with some concern that changes in U.S. visa procedures and requirements serve as a deterrent to foreign students considering the United States as a study destination. All participants in the room were aware of the fact that our competitors - chiefly Australia, the United Kingdom and Canada - are all seizing the opportunity to attract larger numbers of foreign students. According to the Institute of International Education (IIE), the most reputable source of foreign student numbers in the United States, the number of foreign students in the United States declined for the first time in over thirty years (by 2.4 percent) in the 2003/04 school year. Changes in visa processing were just one of several factors listed as contributing to the decline. Participants were well aware of the political nature of this issue and the fact that our trade negotiators are not able to negotiate matters related to immigration in light of strong concerns expressed by Members of Congress.

In light of the concern over the continued viability of Mode 2 as a major mode of export for education and training services, participants noted that some providers would increasingly look to Modes 1 and 3 to reach foreign students in the future. Electronic delivery of courses, programs and degrees – the ability to secure an American credential from virtually anywhere - was cited as very important. Many participants stated that access to the Internet, the ability to transfer funds, recognition of courses/programs, and the ability to transfer (academic) credits were vital for Mode 1 (cross-border) access.

Participants also discussed Mode 3, or the establishment of American type campuses in other countries. At the moment, activity in this area is somewhat limited and more common in the for-profit world. Many participants stated that the primary trade issue for U.S. providers engaging in Mode 3 delivery appears to be recognition/status (numerous non-trade issues also limit this mode). Once you establish a campus, will the host country recognize graduates' credentials when they go to find a job or pursue advanced degrees? In addition, status can affect a host of other issues, including whether your students have access to student benefits such as rail passes and visas, as well as the institution's tax status and ability to advertise. Many participants noted that U.S. negotiators have limited ability to address this issue via trade negotiations, but ensuring non-discrimination and transparency of process were cited as having potential.